

NEW NUMBER

LAW OFFICES
ROSENTHAL AND SCHANFIELD
PROFESSIONAL CORPORATION

LEONARD SCHANFIELD
WILLIAM P. ROSENTHAL
STANLEY R. WEINBERGER
NORMAN L. ROTHENBAUM
LESTER ROSEN
HENRY M. MORRIS
MARK S. LIEBERMAN
MARVIN COHN
MARTIN K. BLONDER
I. WALTER DEITCH
ROBERT R. TEPPER
STEPHEN P. KIKOLER
JOEL C. LEVIN
GARY S. SAIFE
MARTIN J. FRIEDMAN
STEVEN H. BLUMENTHAL
THOMAS I. MATYAS
BARBARA G. GIRYOTAS
CHARLES J. MASTERS

MID-CONTINENTAL PLAZA-SUITE 4620
55 EAST MONROE STREET
CHICAGO, ILLINOIS 60603
(312) 236-5622

RECORDATION NO. **14422** FILE 1425

4-251A017

SEP 7 1984 - 11 42 AM

No. **SEP 7 1984**

INTERSTATE COMMERCE COMMISSION

Date

Fee \$ **10.00**

ICC Washington, D. C.

September 4, 1984

KENNETH D. BASCH
GERALD E. BEATTY
HOWARD S. BEDER
FRANCIS A. BENINATI
JAMES L. CASE
NEIL K. COHEN
ROCHELLE S. DYME
MARY T. FAHEY
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ERICA TINA HELFER
RONALD M. NEIFELD
SANDRA L. OAKES
ELYSE G. PEARLMAN
GERALD PROKOPOWICZ
MARY K. PRUS
BLOOMA STARK
RHONDA L. STERN

ALEX ELSON
OF COUNSEL

Secretary
Interstate Commerce Commission
Washington, D.C.

Dear Secretary:

Pursuant to 49 U.S.C. § 11303 and the rules and regulations promulgated thereunder, as amended, we hand you herewith for filing three fully-executed counterparts of that certain Amendment No. 2 to Security Agreement dated as of May 23, 1984.* The parties to the Amendment are:

Debtor: Evans Track-Work Leasing Company
The East Tower, Suite 1000
2550 Golf Road
Rolling Meadows, Illinois 60008

Secured Party: The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

A description of the equipment covered by the Amendment is attached hereto as Exhibit A.

Enclosed herewith is a check in the amount of \$70.00 in payment of the applicable recording fees.

* A copy of the Security Agreement dated as of September 17, 1981, as amended by Amendment No. 1 to Loan Agreement and Security Agreement dated as of April 15, 1982, is attached to the enclosed document as Exhibit B.

Open Report - C.T. Kennedy

SEP 11 30 AM '84
1000 10100

ROSENTHAL AND SCHANFIELD

Interstate Commerce Commission
September 4, 1984
Page Two

Since this document is being delivered to you by hand, we would appreciate it if you would return to the bearer the duly stamped counterparts of the Amendment not required to be kept by you, or, if it is not possible to return them to the bearer, send them to: Mr. Gerald E. Beatty, Rosenthal and Schanfield, 55 East Monroe, #4620, Chicago, Illinois 60603.

Very truly yours,

ROSENTHAL AND SCHANFIELD
Attorneys for Evans
Track-Work Leasing Company

BY:

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the bottom.

GEB:mg
enclosures

EXHIBIT A

AMENDED SCHEDULE I

LOT #	DESCRIPTION	MANUFACTURER	MODEL	QUANTITY	SERIAL #	LESSEE	MASTER LEASE DATE	SCHEDULE #	LEASE TERM	MONTHLY RENTAL PER UNIT	NBV
1850	TIE HANDLERS	R.T.W.	-	2	427 428	ILLINOIS CENTRAL GULF RAILROAD ("ICG")	4/2/80	1	69 mos.	\$ 515.00	12-31-83 \$ 31,874
1874	RAIL LIFTER	FAIRMONT	-	2	248833 248834	ICG	7/1/80	1	60	155.40	4,637
1880	SWITCH TAMPER	PLASSER	-	1	1375	Consolidated Rail Corp. (CRC)	9/11/80 *	1	84	1,503.40	62,772
	SWITCH TAMPER	PLASSER	-	1	1376	CRC	9/11/80 *	1A	84	1,494.79	62,622
	TAMPER	CANRON	MARK II	1	1087330	CRC	9/11/80 *	2	84	2,299.54	93,300
	TAMPER	CANRON	MARK I	1	1087350	CRC	9/11/80 *	3	84	1,256.41	50,983
	BALLAST REGULATOR	KERSHAW	2L-2-17	1	26-1393	CRC	9/11/80 *	4	84	949.25	38,493
1881	SWITCH TAMPER	CANRON	MARK II	1	1087320	CRC	9/11/80 **	1	84	2,303.75	370,570
	SWITCH TAMPER	CANRON	MARK II	1	1087300	CRC	9/11/80 **	1A	84	2,307.46	
	SWITCH TAMPER	CANRON	MARK II	1	1087290	CRC	9/11/80 **	1B	84	2,306.94	
	SWITCH TAMPER	CANRON	MARK II	1	1087280	CRC	9/11/80 **	1C	84	2,298.79	
	SWITCH TAMPER	CANRON	MARK II	1	1087270	CRC	9/11/80 **	2	84	2,299.54	
1882	UNDERCUTTER / CROWDER	PLASSER	RH76U	1	183	CRC	9/11/80 ***	1	84	13,337.75	535,04
	CRS & BALLAST COMPACTOR	-	-	1	1377	CRC	9/11/80 ***	2	84	1,162.19	48,400

* EQUIPMENT LEASE AGREEMENT #1

** EQUIPMENT LEASE AGREEMENT #2

*** EQUIPMENT LEASE AGREEMENT #3

LOT DESCRIPTION	MANUFACTURER	MODEL	QUANTITY	SERIAL #	LESSEE	MASTER LEASE DATE	SCHEDULE #	LEASE TERM	MONTHLY RENTAL PER UNIT	NRV 12-31-83
483 BALLAST REGULATOR	KERSHAW	-	1	46-108	TRUSTEES OF THE PRIORITY OF THE BOSTON MAIN CORP	3/20/81	1	84 mos.	\$ 1,717.15	\$ 85,864
SWITCH TAMPERS	CANRON	MARK III	2	3580261 3580271	B & M	3/20/81	1	84	3,064.70	282,642
BALLAST COMPACTOR	CANRON	CSL	1	4481351	B & M	3/20/81	1	84	1,552.66	75,508
WHOLE TIE REMOVER	KERSHAW	-	1	47-128	B & M	3/20/81	1	84	1,013.75	46,881
TRACTOR	CASE	580-C	1	9007723	B & M	3/20/81	1	84	695.94	30,881
RAILCAR MOVER	PETTIBONE	250	1	C-108	B & M	3/20/81	1	84	857.55	40,766
TIE CRANE	R.T.W.	-	3	466 467 468	B & M	3/20/81	1	84	480.52	63,850
TIE SPHER	FAIRMONT	SERIES C	1	400181455	B & M	3/20/81	1	84	1,172.49	54,081
SARIFIER/INSERTER	FAIRMONT	SERIES E	1	174571	B & M	3/20/81	1	84	764.54	36,55
TIE INSPECTOR	LORAM	1015	1	1015813	B & M	3/20/81	1	84	1,268.72	56,563
HYDRA-SPINER	REXNORD	-	1	127	B & M	3/20/81	1	84	1,360.21	27,50
TIE SPACER	PORTER	-	1	TS 2128	B & M	3/20/81	1	84	688.72	33,046
GRADALL	WILHELM-DANES	680	1	NP015051	B & M	3/20/81	1	84	2,676.30	128,561
SNOW BLOWER	PETTIBONE	220C	1	ST 350	B & M	3/20/81	1	84	559.49	67,21
GO TRACT W/ DERRICK	UNIVERSAL GO TRACT	GT 1000	1	01-04-149	B & M	3/20/81	1	84	1,381.69	67,3.

DESCRIPTION	MANUFACTURER	MODEL	QUANTITY	SERIAL #	LESSEE	MAJOR LINE DATE	SCHEDULE #	LEASE TERM	MONTHLY REVENUE PER UNIT	NBV 12-31-8
5 TON CRANE	GALVIN	150ARS	1	CISCADG 8822	CRC	4/21/81 ***	1	120	1,254.24	81,523
10 1/2 TON CRANE w/GENERATOR PLUM	PETTIBONE	25	1	18-6-AE-7477	CRC	4/21/81 ***	2	120	1,344.10	89,515
2 1/2 TON CRANE	PETTIBONE	25	1	18-5-AE 7476	CRC	4/21/81 ***	3	120	1,100.73	72,723
12 1/2 TON CRANE	PETTIBONE	25	1	18-5-AE 7475	CRC	4/21/81 ***	4	120	1,100.84	72,713
SWITCH TAMPER	CANRON	MARK II	1	1088051	CRC	6/29/81	1	84	2,857.97	115,304
SWITCH TAMPER	CANRON	MARK II	1	1088061	CRC	6/29/81	2	84	2,849.35	
SWITCH TAMPER	CANRON	MARK II	1	1088091	CRC	6/29/81	3	84	2,849.35	
SWITCH TAMPER	CANRON	MARK II	1	1088101	CRC	6/29/81	4	84	2,849.35	460,041
SWITCH TAMPER	CANRON	MARK II	1	108121	CRC	6/29/81	5	84	2,849.35	
SWITCH TAMPER	CANRON	MARK II	1	108131	CRC	6/29/81	6	84	2,851.64	
SWITCH TAMPER	CANRON	MARK II	1	108141	CRC	6/29/81	7	84	2,851.66	232,111
SWITCH TAMPER PLAISER	PLAISER	UYM-8-L MARK II	1	1445	CRC	6/29/81	8	84	2,660.00	111,348
SWITCH TAMPER PLAISER	PLAISER	UYM-8-L	1	1446	CRC	6/29/81	9	84	2,660.00	112,164
SWITCH TAMPER PLAISER	PLAISER	UYM-8-L	1	1447	CRC	6/29/81	10	84	2,660.00	112,305

3,949,288

4 EQUIPMENT LEASE AGREEMENT #4

LIFTING
CONTINUOUS RAIL WELDER

SOLAR BALLAST REGULATOR

RAIL CRANE

MANUFACTURER
'SEE ATTACHED'
P.5

R.T.W.

R.T.W.

MODEL

116A

111A

QUANTITY

1

1

1

SERIAL #

101

101

LESSEE

MASTER KEY
DATE

SCHEDULE
#

LEASE
TERM

MONTHLY RENT
Per unit

280
1,040
95,000
185,000
280,000

TRAILER #	TRAILER FUNCTION	TRAILER			EQUIPMENT SERIAL #
		MAKE	SERIAL #	FL. LIC. #	
2	AUXILIARY POWER UNIT	ROBENS	D 5064	L 24050	EM 166972231 DJ436234739
3	TRANSFER TABLE	ROBENS	D 5068	L 24046	
4	RAIL END POLISHING	TRAILMOBILE	C 12834	L 21866	
5	RAIL WELDER	ROBENS	D 5065	L 24051	
6	RAIL SHEAR & STRAIGHTENER	ROBENS	D 5066	-	
7	RAIL MOVER & GRINDING	ROBENS	D 5067	L 24048	
8	OFFICE & PARTS STORAGE	FRUEHAUF	HPN348101	L 24047	
-	RAIL SAW	-	-	-	103

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

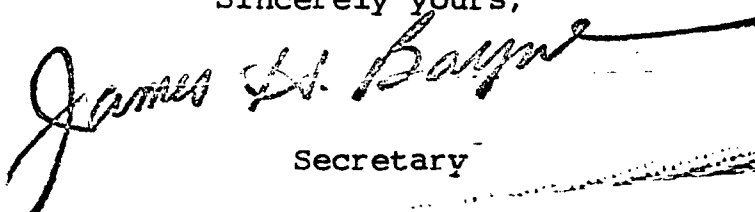
Mr. Gerald E. Beatty
Rosenthal and Schanfield)
55 East Monroe #4620
Chicago, Illinois 60603

September 7, 1984

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/7/84 at 11:40AM and assigned re-
recording number(s). 14422

Sincerely yours,


Secretary

Enclosure(s)

TWC

May 23, 1984

Evans Track-Work Leasing Company
The East Tower, Suite 1000
2550 Golf Road
Rolling Meadows, IL 60008

RECORDATION NO. 14422
FRI 1425

SEP 7 1984 11 42 AM

INTERSTATE COMMERCE COMMISSION

AMENDMENT NO. 2 TO SECURITY AGREEMENT

Gentlemen:

We refer to (i) the Term Loan Agreement, dated as of September 17, 1981, as amended (the "Loan Agreement") between Evans Track-Work Leasing Company (the "Company") and The First National Bank of Chicago (the "Bank") and (ii) the Security Agreement, dated as of September 17, 1981, as amended (the "Security Agreement") by the Company in favor of the Bank. Capitalized terms defined in the Security Agreement and not otherwise defined herein shall have the meanings when used herein as defined in the Security Agreement.

Pursuant to the terms of the Loan Agreement and certain actions taken by the Bank thereunder, the Company is obligated to grant to the Bank a security interest in certain assets owned by the Company. Therefore, the Company hereby grants to the Bank a first security interest in all of the Company's right, title and interest in and to the Equipment (as hereinafter defined) as security for the Obligations. The Company represents and warrants to the Bank that the execution and delivery of this amendment has been duly authorized by proper corporate proceedings and this amendment constitutes a valid and binding obligation of the Company and creates a security interest which is enforceable against the Company in the Equipment in accordance with the terms hereof. In furtherance thereof, the Bank and the Company hereby agree to amend the Security Agreement as follows:

1. Amend Section 1 of the Security Agreement by deleting the definition of "Collateral" where it appears therein and substituting in lieu thereof the following new definition of "Collateral":

"Collateral" means the Equipment, the Receivables, the Lease Rights and the proceeds of any and all of the foregoing, including, without limitation, the proceeds of any insurance thereon."

a copy of which Security Agreement is attached hereto as Exhibit B.

2. Amend Section 1 of the Security Agreement by inserting the definition of "Equipment" after the definition of "Default" where it appears therein:

"Equipment" means all goods subject to Lease Agreements pledged to the Bank from time to time hereunder, together with all accessories, appurtenances, attachments, parts and repairs now or hereafter incorporated in or affixed to or used in connection with any such Equipment, and includes equipment substituted for or replacing the original Equipment leased under a Lease Agreement and Equipment that may from time to time be added to a Lease Agreement."

3. Amend Section 1 of the Security Agreement by inserting the following definition of "Lease Agreement" before the definition of "Lease Receivables" where it appears therein:

"Lease Agreement" means a lease agreement which is either (i) identified on Schedule I hereto, or (ii) hereafter identified on any other schedule hereafter delivered to the Bank in the form of Exhibit "A" hereto, as said lease agreement may from time to time be amended or otherwise modified."

4. Amend Section 1 of the Security Agreement by deleting the definitions of "Lease Receivables" and "Lease Rights" where they appear therein and substituting in lieu thereof the following new definitions of those terms:

"Lease Receivables" means all rights of the Company to payment pursuant to the Lease Agreements.

"Lease Rights" means all now existing and hereafter arising rights of the Company as lessor under the Lease Agreements."

5. Amend the Security Agreement by inserting the following three Sections after Section 3.12 of the Security Agreement as Section 3.13, Section 3.14 and Section 3.15, respectively:

"3.13. Accuracy of Description of Equipment; Location of Equipment. Schedule I hereto contains a complete and accurate description of all Equipment presently subject to Lease Agreements.

3.14. Motor Vehicle Certificates. No item of Equipment is subject to any state certificate of title law or is required to be filed or registered under any federal statute.

3.15. First Lien on Equipment. The Company has, in the case of all Equipment described in Schedule I hereto, and will have, in the case of all other Equipment which may from time to time become subject to the Lien of this Security Agreement, ownership of such Equipment free and clear of all Liens except (i) Liens in favor of the Bank and (ii) the rights of lessees under Lease Agreements."

6. Amend the Security Agreement by inserting the following Section after Section 4.1.8 of the Security Agreement as Section 4.1.9:

4.1.9. Maintenance of Equipment. Do or cause to be done all things necessary to maintain, preserve, protect and keep the Equipment in good and saleable condition.

7. Amend Section 4.2.2 of the Security Agreement by deleting it in its entirety and substituting in lieu thereof the following new Section 4.2.2:

"4.2.2. Disposition of Collateral. Sell, lease or otherwise dispose of any of the Collateral except (i) leases of the Equipment by the Company to Lessees pursuant to Lease Agreements pledged to the Bank hereunder and (ii) prior to the occurrence of a Default, cash proceeds of Receivables collected in the ordinary course of business."

8. Amend the Security Agreement by inserting the following Section after Section 5.1.8 of the Security Agreement as Section 5.1.9:

"5.1.9. Any of the Collateral shall be transferred or otherwise disposed of, either voluntarily or involuntarily, in any manner not permitted by Section 4.2.2 unless the Company shall have within 10 business days either (i) pledged to the Bank in form and substance satisfactory to the Bank substitute Collateral with a Collateral Value (as defined in the Loan Agreement) at least equal to the Collateral Value of the Collateral transferred or otherwise disposed or (ii) prepaid its indebtedness under the Loan Agreement in an amount equal to the Collateral Value of the Collateral transferred or otherwise disposed."

9. Amend Section 5.4.1 of the Security Agreement by deleting it in its entirety and substituting in lieu thereof the following new Section 5.4.1:

"5.4.1. Assembly of Collateral. Subject to the rights of lessees under Lease Agreements, assemble and make available to the Bank the Collateral and all records relating thereto at any place or places specified by the Bank."

10. Amend Section 7.6 of the Security Agreement by deleting clause (b) of said Section 7.6 in its entirety and substituting in lieu thereof the following new clause (b) to Section 7.6:

"(b) after the occurrence of a Default (but at any time with respect to insurance proceeds received by the Bank as a result of a casualty to any portion of the Equipment), to indorse and collect any cash proceeds of the Collateral,"

11. Amend Section 7.13 of the Security Agreement by inserting the following two sentences at the conclusion thereof:

"To the fullest extent permitted by law, the Company agrees to protect, indemnify, defend and save harmless, the Bank and its directors, officers, agents and employees from and against any and all liabilities, expenses, losses, injuries and damages of any kind or nature and from any suits, claims, or demands, including reasonable attorneys fees (and reasonable time charges of attorneys that may be employees of the Bank) and expenses, on account of any manner or thing or action or failure to act of the Bank (other than arising from the Bank's own gross negligence or wilful misconduct), whether in suit or not, arising out of or in connection with the Collateral, the operation or condition thereof, and any related matter. This indemnification shall survive the termination of this Security Agreement."

12. Amend the Security Agreement by deleting Schedule I thereof and substituting in lieu thereof "Amended Schedule I" attached hereto.

Except for the express amendments contained herein, the terms, provisions and conditions of the Loan Agreement, the promissory note issued thereunder, the Security Agreement and that certain Security Agreement dated as of December 10, 1982 executed by the Company and Evans Track Products and Construction Company in favor of the Bank shall continue and remain binding on the Company, and the Company hereby ratifies and confirms the same. The amendments contained herein shall become effective as of May 23, 1984 upon execution by the Bank and the Company and the acknowledgement of the Guarantor (as defined in the Loan Agreement). The Company agrees to provide the Bank as soon as practicable but in any event within 60 days of the date of execution hereof with (i) certified copies of directors' resolutions of the Company authorizing the pledge of said Equipment, (ii) a counsel

opinion of the Company's counsel substantially in the form of Exhibit "A" hereto and (iii) financing statements executed by the Company as requested now or hereafter by the Bank.

THE FIRST NATIONAL BANK OF CHICAGO

By

Susan J. Green

Title

Asst. Vice President

Accepted and Agreed to:

EVANS TRACK-WORK LEASING COMPANY .

By

B. Lynch

Vice President

ACKNOWLEDGEMENT

The undersigned, Evans Transportation Company, being the guarantor of the Company's obligations arising under the foregoing described Loan Agreement, hereby consents to the foregoing amendments and waiver and to the pledge of said Equipment pursuant to the foregoing described Security Agreement and ratifies and confirms the terms and provisions of the Guaranty, dated as of September 17, 1981 by the undersigned in favor of the Bank, as amended.

EVANS TRANSPORTATION COMPANY

By


Vice President

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Christine M. Babrak, a Notary Public in and for the County and State aforesaid, do hereby certify that Susan F. Gregg Asst. Vice President of THE FIRST NATIONAL BANK OF CHICAGO ("Bank"), a national banking association, of said Bank, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice President appeared before me in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 30th day of August, 1984.

Christine M. Babrak
Notary Public

My Commission Expires:
June 30, 1987

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, MARY E. GARDNER, a Notary Public in and for the County and State aforesaid, do hereby certify that George B. Lynch the (Vice) President of EVANS TRACK-WORK LEASING COMPANY, an Illinois corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer of said corporation appeared before me in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal this 29th day
of August, 1984.

[Signature]
Notary Public

My Commission Expires:

4-15-87

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Janette C. Benedict, a Notary Public in and
for the County and State aforesaid, do hereby certify that
George B. Lynch, the (Vice) President of EVANS
TRANSPORTATION COMPANY, an Illinois corporation, who is
personally known to me to be the same person whose name is
subscribed to the foregoing instrument as such officer of
said corporation, appeared before me in person and acknow-
ledged that he signed and delivered the said instrument as
his own free and voluntary act and as the free and voluntary
act of said corporation for the uses and purposes therein
set forth.

Given under my hand and notarial seal this 29th day
of August, 1984.

Janette C. Benedict
Notary Public

My Commission Expires:

My Commission Expires July 25, 1987

EXHIBIT "A"

October __, 1983

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

Gentlemen:

We are counsel for Evans Track-Work Leasing Company (the "Company") and have represented the Company in connection with its execution and delivery of an Amendment executed by the Company in favor of The First National Bank of Chicago (the "Bank") dated May 23, 1984 (the "Amendment"), which amends the terms and provisions of that certain Security Agreement by the Company to the Bank dated as of September 17, 1981, as amended (the "Security Agreement") to, among other things, subject certain equipment to the lien thereof. Unless the context otherwise requires, all capitalized terms used in this opinion shall have the meanings attributed to them in the Security Agreement.

We have examined the Company's articles of incorporation, by-laws, resolutions, the Security Agreement, the Amendment and such other matters of fact and law which we deem necessary in order to render this opinion. Based upon the foregoing, it is our opinion that:

1. The execution and delivery of the Amendment by the Company and the performance by the Company of its obligations thereunder has been duly authorized by all necessary corporate action and proceedings on the part of the Company and will not:

(a) require any consent of the Company's shareholders;

(b) violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Company or the Company's articles of incorporation or by-laws or any indenture, instrument or agreement binding upon the Company; or

(c) result in, or require, the creation or imposition of any lien, security interest or other encumbrance pursuant to the provisions of any indenture, instrument or agreement binding upon the Company.

2. The Amendment has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company.

3. No approval, authorization, consent, adjudication or order of any governmental authority, which has not been obtained by the Company, is required to be obtained by the Company in connection with the execution and delivery of the Amendment or in connection with the performance by the Company of its obligations thereunder.

4. The Bank has a first perfected security interest in the Collateral to secure the Obligations.

Very truly yours,

EVANS TRACK-WORK LEASING COMPANY
SECURITY AGREEMENT
DATED AS OF September 17, 1981

EXHIBIT B

1. DEFINITIONS.

As used in this Security Agreement,

"Bank" means The First National Bank of Chicago.

"Company" means EVANS TRACK-WORK LEASING COMPANY, an Illinois corporation.

"Collateral" means the Receivables, the Lease Rights and the proceeds thereof.

"Default" means an event described in Section 5.

"Lease Receivables" means all rights of the Company to payment pursuant to the lease agreements (i) identified on Schedule I hereto, and (ii) hereafter identified on any other schedules hereafter delivered to the Bank in the form of Exhibit "A" hereto.

"Lease Rights" means all now existing and hereafter arising rights of the Company as lessor under the lease agreements (i) identified on Schedule I hereto, and (ii) hereafter identified on any other schedules hereafter delivered to the Bank in the form of Exhibit "A" hereto.

"Lien" means any security interest, mortgage, pledge, lien, claim, charge, encumbrance, title retention agreement, or lessor's interest, in, of or on any of the Collateral.

"Obligations" shall have the meaning assigned to it in the Term Loan Agreement.

"Potential Default" means an event which but for the lapse of time or the giving of notice, or both, would constitute a Default.

"Receivables" means the Lease Receivables and all accounts, contract rights, instruments, documents, and chattel paper in which the Company now has or hereafter acquires any right arising from or related to the Lease Receivables.

"Section" means a numbered section of this Security Agreement, unless another document is specifically referenced.

"Security Agreement" means this security agreement, as it may be amended from time to time.

"Term Loan Agreement" means the Term Loan Agreement, dated as of September 17, 1981, between the Company and the Bank, as amended from time to time.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

2. GRANT OF SECURITY INTEREST.

The Company grants to the Bank a security interest in the Collateral to secure payment of the Obligations.

3. REPRESENTATIONS AND WARRANTIES.

The Company represents and warrants to the Bank that

3.1. Corporate Existence and Standing. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

3.2. Authorization, Validity and Enforceability. The execution and delivery by the Company of this Security Agreement has been duly authorized by proper corporate proceedings and this Security Agreement constitutes a valid and binding obligation of the Company, creates a security interest which is enforceable against the Company in the Collateral in which the Company now has rights and will create a security interest enforceable against the Company in Collateral in which the Company hereafter acquires rights at the time the Company acquires any such right.

3.3. Conflicting Laws and Contracts. Neither the execution and delivery by the Company of this Security Agreement, the creation and perfection of the security interest in the Collateral granted hereunder, nor compliance with the terms and provisions hereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Company or the Company's certificate of incorporation or by-laws or the provisions of any indenture, instrument or agreement to which the Company is a party or is subject, or by or which it, or its property, is bound, or conflict with or constitute a default thereunder, or result in the creation or imposition of any Lien pursuant to the terms of any such indenture, instrument or agreement.

3.4. Receivables Records. Records relating to Receivables are maintained only at Suite 1000, 2550 Golf Road, Rolling Meadows, IL.

3.5. Chief Executive Office. The Company's chief executive office is located at Suite 1000, 2550 Golf Road, Rolling Meadows, IL.

3.6. Mailing Address. The mailing address of the Company is set forth in Section 8.1.

3.7. No Other Names. The Company has not conducted business under any name except the name in which it has executed this Security Agreement.

3.8. Places of Business. The Company has no places of business except those set forth in Sections 3.4 and 3.5.

3.9. No Default. No Default or Potential Default exists.

3.10. Receivables. The names of the obligors, amounts owing, due dates and other information with respect to the Receivables are and will be correctly stated in all records of the Company relating thereto and in all invoices and reports with respect thereto furnished to the Bank.

3.11. No Financing Statements. No financing statement which has not lapsed or been terminated naming the Company as debtor and covering all or any portion of the Collateral has been filed in any jurisdiction except financing statements naming the Bank as secured party.

3.12. Lease Agreements. The lease agreements listed in Schedule I hereto are, and all other lease agreements listed in the schedules delivered pursuant hereto will be, legal, valid and binding obligations of the parties thereto enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws relating generally to the enforcement of creditors rights.

4. COVENANTS.

From the date of this Security Agreement, and thereafter until this Security Agreement is terminated pursuant to Section 7.16,

4.1. The Company will:

4.1.1. Delivery of Certain Items. After the occurrence of a Default, from time to time deliver to the Bank immediately upon the Bank's request (a) duplicate invoices with respect to each Lease Receivable bearing such language of assignment as the Bank shall specify, (b) the originals of all instruments, documents and chattel paper constituting Collateral indorsed and assigned as the Bank shall specify and (c) proceeds of the Receivables.

4.1.2. Inspection. Permit the Bank, by its representatives and agents, to inspect the Collateral, to examine and make copies of the records of the Company relating thereto, and to discuss the Collateral, and the records of the Company with respect thereto

with, and to be advised as to the same by, the Company's officers and, in the case of any Receivable, with any person or entity which is or may be obligated thereon, subject to the consent of any such person or entity all at such reasonable times and intervals as the Bank may determine. If any discount, credit, agreement to make a rebate or to otherwise reduce the amount owing on a Receivable exists or if, to the knowledge of the Company, any dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to a Receivable, such fact shall be disclosed to the Bank in writing in connection with the inspection by the Bank of any record of the Company relating to such Receivable and in connection with any invoice or report furnished by the Company to the Bank relating to such Receivable.

4.1.3. Taxes. Pay when due all taxes, assessments and governmental charges and levies upon the Collateral, except those which are being contested in good faith by appropriate proceedings and with respect to which no Lien exists.

4.1.4. Maintenance of Records. Maintain complete and accurate records with respect to the Collateral.

4.1.5. Notice of Default. Give prompt notice in writing to the Bank of the occurrence of any Default or Potential Default and of any other development, financial or otherwise, which might materially adversely affect the Collateral, or the ability of the Company to perform the Obligations.

4.1.6. Financing Statements and Other Actions. Execute and deliver to the Bank all financing statements and other documents from time to time requested by the Bank in order to maintain a first perfected security interest in the Collateral.

4.1.7. Reports. Furnish to the Bank such reports relating to the Collateral as the Bank shall from time to time reasonably request.

4.1.8. Notification of Obligors. After the occurrence of a Default, from time to time upon the request of the Bank, notify the obligors on the Receivables to make payment thereon at such place and in such manner as the Bank shall specify.

4.2. The Company will not

4.2.1. Liens. Create, incur, or suffer to exist any Lien except the security interest created by this Security Agreement.

4.2.2. Disposition of Collateral. Sell, lease or otherwise dispose of the Collateral except, prior to the occurrence of a Default, cash proceeds of Receivables collected in the ordinary course of business.

4.2.3. Change in Location or Name. Without giving the Bank 30 days prior written notice thereof, (i) maintain records concerning the Receivables at a location other than a location specified in Section 3.4, (ii) maintain its chief executive office at a location other than that specified in Section 3.5., (iii) maintain a place of business at a location other than a location specified in Section 3.8., (iv) change its name or (v) change its mailing address.

4.2.4. Other Financing Statements. Sign or authorize the signing on its behalf of any financing statement naming it as debtor and containing a description of the collateral sufficiently broad to cover all or any portion of the Collateral, except financing statements naming the Bank as secured party.

4.2.5. Certain Agreements on Receivables. Make or agree to make any discount, credit, rebate or other reduction in the original amount owing on a Receivable or accept in satisfaction of a Receivable less than the original amount thereof, except that, prior to the occurrence of a Default, the Company may reduce the amount of Lease Receivables in accordance with its present policies and in the ordinary course of business.

5. DEFAULT.

5.1. The occurrence of any one or more of the following events shall constitute a Default:

5.1.1. Any representation or warranty made by the Company to the Bank under or in connection with this Security Agreement shall be materially false as of the date on which made.

5.1.2. The breach by the Company of any of the terms or provisions of Sections 4.1.1, 4.1.5, 4.1.6, or 4.2.

5.1.3. The breach by the Company (other than a breach which constitutes a Default under Sections 5.1.1 or 5.1.2) of any of the terms or provisions of this Security Agreement which is not remedied within 30 days after written notice from the Bank.

5.1.4. Any Obligation shall not be paid when due, whether at stated maturity, upon any accelerated maturity or otherwise, and after giving effect to any period of grace applicable thereto, if any under the Term Loan Agreement.

5.1.5. The Bank shall not have a first perfected security interest in the Collateral other than as permitted by Section 4.2.2..

5.1.6. The Company shall (a) be adjudicated a bankrupt or become subject to an order for relief, (b) not pay, or admit in writing its inability to pay, its debts generally as they become due, (c) make an assignment for the benefit of creditors, (d) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (e) institute any proceeding seeking to adjudicate it a bankrupt, a debtor in need of relief or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (f) take any corporate action to authorize or effect any of the foregoing actions set forth in this Section 5.1.6 or (g) fail to contest in good faith any appointment or proceeding described in Section 5.1.7.

5.1.7. Without the application, approval or consent of the Company, a receiver, trustee, examiner, liquidator or similar official shall be appointed for the Company or any substantial part of its property, or a proceeding described in Section 5.1.6(e) shall be instituted against the Company or any Subsidiary and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 30 consecutive days.

5.1.8. Any Default shall occur as defined in the Term Loan Agreement.

5.2. Acceleration and Remedies. If any Default occurs, then, upon the election of the Bank, the Obligations shall immediately become due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, and the Bank may exercise any or all of the rights and remedies provided (a) in this Security Agreement, (b) to a secured party when a debtor is in default under a security agreement by the Illinois Uniform Commercial Code, (c) in the Term Loan Agreement and (d) by any other applicable law.

5.3. Lease Rights. Without limiting the generality of Section 5.2, on the occurrence of a Default the Bank may (but shall have no obligation to) from time to time exercise all or any portion of the Lease Rights. The Company agrees to cooperate with the Bank in the exercise of such rights and not to restrain or interfere with, or to initiate any actions or proceedings to, restrain or interfere with the exercise thereof.

5.4. Company's Obligations Upon Default. Upon the request of the Bank after the occurrence of a Default, the Company will,

5.4.1. Assembly of Collateral. Assemble and make available to the Bank the Collateral and all records relating thereto at any place or places specified by the Bank.

5.4.2. Bank Access. Permit the Bank, by the Bank's representatives and agents, to enter any premises where all or any part of the Collateral, or the records relating thereto, or both, are located, to take possession of all or any part of the Collateral and the records relating thereto and to remove all or any part of the Collateral and the records relating thereto.

6. WAIVERS, AMENDMENTS AND REMEDIES.

No delay or omission of the Bank to exercise any right or remedy granted under this Security Agreement shall impair such right or remedy or be construed to be a waiver of any Default or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude other or further exercise thereof or the exercise of any other right or remedy, and no waiver, amendment or other variation of the terms, conditions or provisions of this Security Agreement whatsoever shall be valid unless in writing signed by the Bank, and then only to the extent in such writing specifically set forth. All rights and remedies contained in this Security Agreement or by law afforded shall be cumulative and all shall be available to the Bank until the Obligations have been paid in full.

7. GENERAL PROVISIONS.

7.1. Special Collateral Account. All cash proceeds of the Receivables received by the Bank after the occurrence Default pursuant to Section 4.1.1, Section 7.2 or otherwise shall be deposited in a special collateral account in the Bank and shall be held by the Bank as security for the Obligations. The Company shall have no control whatsoever over said special collateral account except that, at the reasonable request of the Company prior to the occurrence of a Default, cash maintained in the special collateral account shall be invested by the Bank in short-term obligations of the United States of America or of the Bank. The Bank may, but is not required to, at any time and from time to time, in its sole discretion, apply any part of the credit balance in said special collateral account to the payment of the Obligations whether or not the Obligations shall be then due.

7.2. Notification to Certain Obligors and Possession of Proceeds. The Bank may in its sole discretion both before and after the occurrence of a Default at any time and from time to time (i) notify the obligors on any or all of the Receivables to make payment to the Bank and (ii) take possession of any or all proceeds of the Receivables.

7.3. Notice of Disposition of Collateral. Notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the Collateral may be made shall be reasonable if sent to the Company, addressed as set forth in Section 8, at least ten days prior to any such public sale or the time after which any such private sale or other disposition may be made.

7.4. Compromises and Collection of Collateral. The Company and the Bank recognize that setoffs, counterclaims, defenses and other claims may be asserted by obligors with respect to certain of the Receivables, that certain of the Receivables may be or become uncollectible in whole or in part and that the expense and probability of success in litigating a disputed Receivable may exceed the amount that reasonably may be expected to be recovered with respect to a Receivable. In view of the foregoing, the Company agrees that after the occurrence of a Default the Bank may at any time and from time to time compromise with the obligor on any Receivable, accept in full payment of any Receivable such amount as the Bank in its sole discretion shall determine or abandon any Receivable, and any such action by the Bank shall be commercially reasonable so long as the Bank acts in good faith based on information known to it at the time it takes any such action.

7.5. Bank Performance of Company Obligations. Without having any obligation to do so, the Bank may perform or pay any obligation which the Company has agreed to perform or pay in this Security Agreement and the Company shall reimburse the Bank for any amounts paid by the Bank pursuant to this Section 7.5. The Company's obligation to reimburse the Bank pursuant to the preceding sentence shall be an Obligation payable on demand.

7.6. Authorization for Bank to Take Certain Action. The Company irrevocably authorizes the Bank at any time and from time to time in the sole discretion of the Bank (a) to execute on behalf of the Company as debtor and to file financing statements necessary or desirable in the Bank's sole discretion to perfect and to maintain the perfection of the Bank's security interest in the Collateral, (b) after the occurrence of a Default to indorse and collect any cash proceeds of the Collateral, (c) to file a carbon, photographic or other reproduction of this Security Agreement or any financing statement with respect to the Collateral as a financing statement in such offices as the Bank in its sole discretion deems necessary or desirable to perfect and to maintain the perfection of the Bank's security interest in the Collateral, and (d) after the occurrence of a Default to enforce payment of the Receivables in the name of the Bank or the Company.

7.7. Specific Performance of Certain Covenants. The Company acknowledges and agrees that a breach of any of the covenants contained in Section 4.1.1, 4.2.2, 5.3 and 7.8 will cause irreparable injury to the Bank, that the Bank has no adequate remedy at law in

respect of such breaches and therefore agrees, without limiting the right of the Bank to seek and obtain specific performance of other obligations of the Company contained in this Security Agreement, that the covenants of the Company contained in the Sections referred to in this Section 7.7 shall be specifically enforceable against the Company.

7.8. Use and Possession of Certain Premises. Upon the occurrence of a Default, the Bank shall be entitled to access to any premises owned or leased by the Company where any of the Collateral or any records relating to the Collateral are located until the Obligations are paid or the Collateral and the records relating thereto are removed therefrom, whichever first occurs, without any obligation to pay the Company for such use and occupancy.

7.9. Dispositions Not Authorized. The Company is not authorized to sell or otherwise dispose of the Collateral except as set forth in Section 4.2.2 and notwithstanding any course of dealing between the Company and the Bank or other conduct of the Bank, no authorization to sell or otherwise dispose of the Collateral (except as set forth in Section 4.2.2) shall be binding upon the Bank unless such authorization is in writing signed by the Bank.

7.10. Definition of Certain Terms. Terms defined in the Illinois Uniform Commercial Code which are not otherwise defined in this Security Agreement are used in this Security Agreement as defined in the Illinois Uniform Commercial Code as in effect on the date hereof.

7.11. Benefit of Agreement. The terms and provisions of this Security Agreement shall be binding upon and inure to the benefit of the Company and the Bank and their respective successors and assigns, except that the Company shall not have the right to assign its rights under this Security Agreement or any interest herein, without the prior written consent of the Bank.

7.12. Survival of Representations. All representations and warranties of the Company contained in this Security Agreement shall survive the execution and delivery of this Security Agreement.

7.13. Taxes and Expenses. Any taxes (excluding income taxes) payable or ruled payable by Federal or State authority in respect of this Security Agreement shall be paid by the Company, together with interest and penalties, if any. The Company shall reimburse the Bank for any and all out-of-pocket expenses and internal charges paid or incurred by the Bank in connection with the administration, collection and enforcement (including attorney's fees and reasonable time charges of attorneys who may be employees of the Bank) of this Security Agreement and the Obligations.

7.14. Choice of Law. This Security Agreement shall be construed in accordance with the laws of Illinois applicable to contracts made and performed in Illinois by an Illinois borrower and an Illinois lender.

7.15. Headings. The title of and section headings in this Security Agreement are for convenience of reference only, and shall not govern the interpretation of any of the terms and provisions of this Security Agreement.

7.16. Termination. This Security Agreement shall continue in effect (notwithstanding the fact that from time to time there may be no Obligations or commitments therefor outstanding) until the Obligations are paid in full.

7.17. Entire Agreement. This Security Agreement embodies the entire agreement and understanding between the Company and the Bank relating to the Collateral and supersedes all prior agreements and understandings between the Company and the Bank relating to the Collateral.

8. NOTICES.

8.1. Sending Notices. Any notice required or permitted to be given under this Agreement may be, and shall be deemed, given and sent when deposited in the United States mail, postage prepaid, or by telegraph or telex when delivered to the appropriate office for transmission, charges prepaid, addressed

To the Company as follows:

EVANS TRACK-WORK LEASING COMPANY
The East Tower, Suite 1000
2550 Golf Road
Rolling Meadows, IL 60008

Attn: Paul R. Leak

To the Bank as follows:

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

Attn: Transportation Group

8.2. Change in Address for Notices. The Company and the Bank may each change the address for service of notice upon it by a notice in writing to the other.

In Witness Whereof, the Company has executed this Agreement as of the date first above written.

EVANS TRACK-WORK LEASING COMPANY

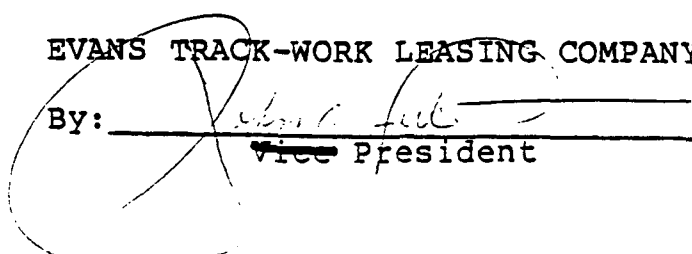
By: 
Vice President

EXHIBIT "A"

Schedule I to Security Agreement,
dated as of September 17, 1981,
between EVANS TRACK-WORK LEASING COMPANY and
The First National Bank of Chicago (the "Bank")
(the "Security Agreement")

Pursuant to the Security Agreement, the Company hereby pledges to the Bank all the Company's right, title and interest in and to the following described lease agreements and the proceeds thereof:

<u>Type of Equipment</u>	<u>Quantity</u>	<u>Lessee</u>	<u>Master Lease Date</u>	<u>Schedule Number</u>	<u>Date of Schedule</u>
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<u>Lease Term</u>	<u>Monthly Unit (% of Price/Unit)</u>	<u>Price/Unit</u>	<u>Serial Number</u>
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Attached hereto is a full and complete copy of the above-described lease agreements. The Company represents and warrants that the foregoing leases are in full force and effect, that no default thereunder exists and is continuing and that no defense on the part of the lessee exists thereunder to the enforcement thereof. The Company agrees to maintain an original copy of such agreements at its main business premises at all times and promptly to inform the Bank of any amendment to or modification of the terms of any such lease agreement or of any termination thereof pursuant to the terms of the Security Agreement.

EVANS TRACK-WORK LEASING COMPANY

By _____
Title _____
Date _____

SCHEDULE I
DESCRIPTION OF LEASES AND EQUIPMENT

TYPE OF EQUIPMENT	QUANTITY	LESSEE	MASTER LEASE DATE	SCHEDULE NUMBER	LEASE TERM	MONTHLY RENTAL PER UNIT
RTW Tie Handlers	2	Illinois Central Gulf Railroad ("ICG")	4/02/80	1	69	\$ 515.00
Fairmont Rail Lifters	2	ICG	7/11/80	1	30	155.40
Plasser Switch Tamping Machine, Model URYT-Con	1	Consolidated Rail Corporation ("CRC")	9/11/80*	1	84	1,503.90
Plasser Switch Tamping Machine, Model URYT-Con	1	CRC	9/11/80*	1A	84	1,494.79
Switch Electronic Tamper Mark II	1	CRC	9/11/80*	2	84	2,299.54
Switch Electromatic Tamper Mark I	1	CRC	9/11/80*	3	84	1,256.61
Kershaw Ballast Regulator, Model 26-2-17 with Kershaw Broom Attachment, Model 27-8-21	1	CRC	9/11/80*	4	84	949.25
Switch Electronic Tamper Mark II	1	CRC	9/11/80**	1	84	2,303.75
Switch Electronic Tamper Mark II	1	CRC	9/11/80**	1A	84	2,307.66
Switch Electronic Tamper Mark II	1	CRC	9/11/80**	1B	84	2,306.94
Switch Electronic Tamper Mark II	1	CRC	9/11/80**	1C	84	2,298.79
Switch Electronic Tamper Mark II	1	CRC	9/11/80**	2	84	2,299.54
Plasser Undercutter/Cleaner Model RM 76U	1	CRC	9/11/80***	1	84	13,337.75
Plasser Crib and Ballast Compactor	1	CRC	9/11/80***	2	84	1,162.19

*Equipment Lease Agreement #1

**Equipment Lease Agreement #2

***Equipment Lease Agreement #3

<u>TYPE OF EQUIPMENT</u>	<u>QUANTITY</u>	<u>LESSEE</u>	<u>MASTER LEASE DATE</u>	<u>SCHEDULE NUMBER</u>	<u>LEASE TERM</u>	<u>MONTHLY RENTAL PER UNIT</u>
Gallon 15-ton Mobile Crane Model	1	CRC	4/21/81****	1	120	\$ 1,234.24
Pettibone 12 - 1/2 Ton Mobile Crane with 10 KVA Generator and Snow Plow, Model 25	1	CRC	4/21/81****	2	120	1,344.10
12 - 1/2 Ton Pettibone Mobile Crane, Model #25 RS	1	CRC	4/21/81****	3	120	1,100.73
12 - 1/2 Ton Pettibone Mobile Crane, Model #25	1	CRC	4/21/81****	4	120	1,100.87
High Speed Production Tamper, Model EST DAG; Electromatic Switch, Mark II	1	CRC	6/29/81	1	84	2,857.97
High Speed Production Tamper, Model EST DAG; Electromatic Switch, Mark II	1	CRC	6/29/81	2	84	2,849.35
High Speed Production Tamper, Model EST DAG; Electromatic Switch, Mark II	1	CRC	6/29/81	3	84	2,849.35
High Speed Production Tamper, Model EST DAG; Electromatic Switch, Mark II	1	CRC	6/29/81	4	84	2,849.35
High Speed Production Tamper, Model EST DAG; Electromatic Switch, Mark II	1	CRC	6/29/81	5	84	2,849.35
High Speed Production Tamper, Model EST DAG; Electromatic Switch, Mark II	1	CRC	6/29/81	6	84	2,851.66
High Speed Production Tamper, Model EST DAG; Electromatic Switch, Mark II	1	CRC	6/29/81	7	84	2,851.66
Plasser Switch Tamper, Model UYM-8-L	1	CRC	6/29/81	8	84	2,660.00
Plasser Switch Tamper, Model UYM-8-L	1	CRC	6/29/81	9	84	2,660.00
Plasser Switch Tamper, Model UYM-8-L	1	CRC	6/29/81	10	84	2,660.00

***Equipment Lease Agreement #4

<u>TYPE OF EQUIPMENT</u>	<u>QUANTITY</u>	<u>LESSEE</u>	<u>MASTER LEASE DATE</u>	<u>SCHEDULE NUMBER</u>	<u>LEASE TERM</u>	<u>MONTHLY RENTAL PER UNIT</u>
Kershaw Ballast Regulator	1	Trustees of the Property of Boston and Main Corporation ("Trustees of B&M")	3/20/81	1	84	\$ 1,717.85
Canron Switch Tamper	2	Trustees of B&M	3/20/81	1	84	3,064.70
Canron Ballast Compactor	1	Trustees of B&M	3/20/81	1	84	1,552.66
Kershaw Whole Tie Ejector	1	Trustees of B&M	3/20/81	1	84	1,013.75
Case Tractor	1	Trustees of B&M	3/20/81	1	84	695.94
Case Prime Mover Unimog	1	Trustees of B&M	3/20/81	1	84	857.55
RTW Tie Handlers	3	Trustees of B&M	3/20/81	1	84	480.53
Fairmont Tie Shear	1	Trustees of B&M	3/20/81	1	84	1,172.49
Fairmont Scarifier	1	Trustees of B&M	3/20/81	1	84	764.54
Loram Tie Inserter	1	Trustees of B&M	3/20/81	1	84	1,268.72
Nordberg Auto Spiker	1	Trustees of B&M	3/20/81	1	84	1,360.31
RMC Tie Spacer	1	Trustees of B&M	3/20/81	1	84	688.72
Warner & Swasey Gradall	1	Trustees of B&M	3/20/81	1	84	2,676.30
Pettibone Snow Blower Attachment	1	Trustees of B&M	3/20/81	1	84	559.49
Universal Co Tract	1	Trustees of B&M	3/20/81	1	84	1,381.69

Dated as of
April 15, 1982

Evans Track-Work Leasing Company
The East Tower, Suite 1000
2550 Golf Road
Rolling Meadows, IL 60008

**AMENDMENT NO. 1 TO LOAN AGREEMENT
AND TO SECURITY AGREEMENT**

Gentlemen:

We refer to (i) the Term Loan Agreement (the "Loan Agreement"), dated as of September 17, 1981, between Evans Track-Work Leasing Company (the "Company") and The First National Bank of Chicago (the "Bank"), and (ii) the Security Agreement (the "Security Agreement"), dated as of September 17, 1981, by the Company in favor of the Bank.

In connection with the closing of a term loan to Evans Trailer Leasing Company, a subsidiary of Evans Transportation Company, the Company's parent, and as a condition precedent thereto, the Bank and the Company have agreed to make certain conforming amendments to the Loan Agreement and the Security Agreement as set forth herein. Pursuant thereto, the Bank hereby agrees and, upon its acceptance as provided below, the Company hereby agrees to amend the Loan Agreement and the Security Agreement as follows:

(1) Amend the Loan Agreement as follows:

(a) Amend Section 1 of the Loan Agreement by inserting therein the following definitions:

"'Bank Agreement' means any contract, agreement or instrument now or hereafter in effect between the Bank and the Company or any Affiliate (including any Person that ceases to be an Affiliate but at the time such contract, agreement or instrument was entered into was an Affiliate) providing for or evidencing any loan, extension of credit or other financial



accommodation by the Bank to or for the benefit of the Company or such Affiliate, or providing for the guaranty or security of any such loan, extension of credit or financial accommodation, including any amendment, modification or supplement to any such contract, agreement or instrument.

'Security Agreement' means the Security Agreement, dated as of September 17, 1981, by the Company in favor of the Bank, as amended from time to time.

'Termination Event' means, with respect to any Lease, the occurrence of (i) the delinquency of the lessees thereon in the making of regularly scheduled payments with respect thereto for a period of 60 days or more, (ii) the insolvency, however evidenced, of any of the lessees thereunder (iii) the termination of any such Lease for any reason, including, without limitation, termination pursuant to the terms thereof, rescission or other similar action by any party thereto, by operation of law, or otherwise, or (iv) any material default by the lessee or lessees thereunder (other than as described in (i) above).

'Total Collateral Value' means, on the date of determination, an amount equal to the sum of (a) all cash, short-term obligations of the United States government or of the Bank and commercial paper rated A1 by Standard and Poor's or P1 by Moody's Investors Service from time to time on deposit in the collateral account described in Section 7.1 of the Security Agreement, plus (b) the aggregate Collateral Value for all Leases pledged to the Bank under the Security Agreement."

(b) Amend Section 1 of the Loan Agreement by deleting the definition of "Affiliate" and of "Collateral Value" appearing therein and substituting in lieu thereof the following definitions:

"'Affiliate' shall mean a 'Material Subsidiary' as defined in the Evans Guaranty.

'Collateral Value' means, on the date of determination with respect to a Lease, an amount determined in accordance with Agreement Accounting Principles (except as otherwise provided herein) equal



to the lesser of (i) the net book value of the item or items of Equipment subject to such Lease, or (ii) an amount equal to the present value of such Lease as determined in accordance with Bulletin #13 of the Fair Accounting Standards Board from time to time in effect, or any successor or replacement bulletin or rule therefor. A Lease shall have no value for the purposes of determining Collateral Value if the Bank determines that (i) either the type of any item or items of Equipment subject thereto, or the terms of such Lease, or the creditworthiness of the obligor thereof is or are not in the ordinary course of the Company's business, or (ii) the original useful life of such item of Equipment was less than three years, or (iii) the Bank does not have a first perfected security interest in the Lease Receivables and Lease Rights arising from such Lease, or (iv) a Termination Event has occurred with respect to the Lease."

(c) Amend Section 3 of the Loan Agreement by inserting immediately before the beginning of the last sentence appearing therein the following sentence:

"The payment obligations of this Section 3 shall not apply to any amounts set off against the Obligations pursuant to Section 10 hereof or applied to the obligations pursuant to Section 7.1 of the Security Agreement prior to acceleration of the Note pursuant to Section 6.2."

(d) Amend Section 5.1.10 of the Loan Agreement by deleting the same in its entirety and substituting in lieu thereof the following:

"5.1.10. Involuntary Reduction of Collateral Value. Without limiting the obligation of the Company to comply with Section 6.1.9, within 90 days after

(a) the occurrence of any Termination Event with respect to any Lease, pledge to the Bank pursuant to the Security Agreement a new Lease having a substantially equivalent Collateral Value, term and other terms and provisions as such Lease immediately prior to the occurrence of such Termination Event, or deposit with the Bank cash collateral pursuant to Section 7.1 of the Security Agreement in an amount equal to the Collateral Value of such Lease immediately prior to the occurrence of such



Termination Event, provided that the Company need not take such action with respect to any Termination Event arising pursuant to clauses (i) or (iv) of the definition thereof if, within the 90 day period specified in this Section, such Termination Event has been cured.

(b) the destruction of any item of Equipment, in whole or in part, either (i) subject additional Equipment to any Lease so that the increase of the Collateral Value of such Lease caused thereby is at least equal to the net book value of the Equipment so damaged or destroyed immediately prior to such casualty, or (ii) pledge to the Bank pursuant to the Security Agreement a new Lease having a Collateral Value at least equal to the net book value of the Equipment so damaged or destroyed immediately prior to such casualty.

Notwithstanding the foregoing, the Company need not take any action under this Section 5.1.10 unless after giving effect to such casualty or Termination Event both Total Collateral Value is less than \$5,000,000 and the aggregate amount of Collateral Value the Company would be required to replace hereunder since the immediately preceeding June 30 or December 31, whichever is later, would exceed \$100,000."

(e) Amend Section 5.2 of the Loan Agreement by inserting at the end thereof the following Section 5.2.4:

"5.2.4. Negative Pledge. At any time enter into, permit to exist or be or become bound by, directly or indirectly, any contract, agreement or instrument that restricts or impairs the ability of the Company to pledge any of its interests in and to the Equipment from time to time to the Bank pursuant to Section 5.1.12 hereof."

(f) Amend Section 6.1.9 of the Loan Agreement by deleting the same in its entirety and substituting in lieu thereof the following:

"6.1.9. Total Collateral Value shall be less than (a) \$5,000,000 on the last day of any June or December hereafter, or (b) \$4,250,000 for any period of 45 consecutive days."



(g) Amend Section 6.1 of the Loan Agreement by inserting at the end thereof the following new Section:

"6.1.12. Any 'default' shall occur as defined in any Bank Agreement, or any breach of the terms or provisions of any Bank Agreement shall occur and be continuing beyond any period of grace provided for therein, or any indebtedness outstanding under any Bank Agreement shall not be paid when due."

(2) Amend Section 7.1 of the Security Agreement by deleting the period appearing at the end of the second sentence thereof and substituting in lieu thereof the following: "or in commercial paper rated A1 by Standard and Poor's or P1 by Moody's Investors Service, provided that the Bank shall at all times have a first perfected security interest therein."


Except for the express amendments contained herein, the terms, provisions and conditions of the Loan Agreement, the promissory note issued thereunder and the Security Agreement shall continue and remain binding on the Company, and the Company hereby ratifies and confirms the same. The amendments contained herein shall become effective on receipt by the undersigned of a copy of this letter duly executed by the Company.

THE FIRST NATIONAL BANK OF CHICAGO

By _____
Title _____

Accepted and Agreed to:

EVANS TRACK-WORK LEASING COMPANY

By 
Title VP

ACKNOWLEDGEMENT

The undersigned, Evans Transportation Company, being the guarantor of the Company's obligations arising under the foregoing described Loan Agreement, hereby consents to the



FIRST CHICAGO
The First National Bank of Chicago

Continuing our letter of April 15, 1982

Sheet no. 6

foregoing amendments and ratifies and confirms the terms and provisions of the Guaranty, dated as of September 17, 1981, in favor of the Bank, as amended.

EVANS TRANSPORTATION COMPANY

By

Title

AMENDED SCHEDULE I

LOT #	DESCRIPTION	MANUFACTURER	MODEL	QUANTITY	SERIAL #	LESSEE	MASTER LEASE DATE	SCHEDULE #	LEASE TERM	MONTHLY RENTAL PER UNIT	NBV
1850	TIE HANDLERS	R.T.W.	-	2	427 428	ILLINOIS CENTRAL GULF RAILROAD (ICG)	4/10/80	1	69 mos.	\$ 515.00	12-31-83 \$ 31,874
1874	RAIL LIFTER	FAIRMONT	-	2	248833 248834	ICG	7/11/80	1	60	155.40	7,637
1880	SWITCH TAMPER	PLASSER	-	1	1375	CONSOLIDATED RAIL CORP. (CRC)	9/11/80 *	1	84	1,503.40	62,772
	SWITCH TAMPER	PLASSER	-	1	1376	CRC	9/11/80 *	1A	84	1,494.79	62,622
	TAMPER	CANRON	MARK II	1	1087330	CRC	9/11/80 *	2	84	2,299.54	93,300
	TAMPER	CANRON	MARK I	1	1087350	CRC	9/11/80 *	3	84	1,256.61	50,985
	BALLAST REGULATOR	KERSHAW	26-2-17	1	26-1393	CRC	9/11/80 *	4	84	949.25	38,493
1881	SWITCH TAMPER	CANRON	MARK II	1	1087320	CRC	9/11/80 **	1	84	2303.75	370,575
	SWITCH TAMPER	CANRON	MARK II	1	1087300	CRC	9/11/80 **	1A	84	2307.66	
	SWITCH TAMPER	CANRON	MARK II	1	1087290	CRC	9/11/80 **	1B	84	2,306.94	
	SWITCH TAMPER	CANRON	MARK II	1	1087280	CRC	9/11/80 **	1C	84	2,298.79	
	SWITCH TAMPER	CANRON	MARK II	1	1087270	CRC	9/11/80 **	2	84	2,299.54	
1882	UNDERCUTTER/CLEANER	PLASSER	RH76U	1	183	CRC	9/11/80 ***	1	84	13,337.75	535,04
	CRIS & BALLAST COMPACTOR	-	-	1	1377	CRC	9/11/80 ***	2	84	1,162.19	48,406

* EQUIPMENT LEASE AGREEMENT #1

** EQUIPMENT LEASE AGREEMENT #2

*** EQUIPMENT LEASE AGREEMENT #3

UT DESCRIPTION	MANUFACTURER	MODEL	QUANTITY	SERIAL #	LESSEE	MASTER LEASE DATE	SCHEDULE #	LEASE TERM	MONTHLY RENTAL PER UNIT	NRV 12-31-83
683 BALLAST REGULATOR	KERSHAW	-	1	46-108	TRUSTEES OF THE PRIORITY OF THE BOSTON MAIN CORP	3/20/81	1	84 mos.	\$ 1,717.85	\$ 85,864
SWITCH TAMPERS	CANRON	MARK III	2	3580261 3580271	B & M B & M	3/20/81	1	84	3,064.70	282,642
BALLAST COMPACTOR	CANRON	CSL	1	4481351	B & M	3/20/81	1	84	1,552.66	75,508
WHOLE TIE REMOVER	KERSHAW	-	1	47-128	B & M	3/20/81	1	84	1,013.75	46,881
TRACTOR	CASE	580-C	1	9007723	B & M	3/20/81	1	84	695.94	30,886
RAILCAR MOVER	PETTIBONE	250	1	C-108	B & M	3/20/81	1	84	857.55	70,766
TIE CRANE	R.T.W.	-	3	466 467 468	B & M	3/20/81	1	84	480.52	63,853
TIE SPHER	FAIRMONT	SERIES C	1	400181455	B & M	3/20/81	1	84	1,172.49	54,088
SPRIFER/INSERTER	FAIRMONT	SERIES E	1	174571	B & M	3/20/81	1	84	764.54	36,551
TIE INSERTER	LORAM	1015	1	1015813	B & M	3/20/81	1	84	1,268.72	56,565
HYDRA-SPINER	REXNORD	-	1	127	B & M	3/20/81	1	84	1,360.31	27,500
TIE SPACER	PORTER	-	1	TS 2128	B & M	3/20/81	1	84	688.72	33,046
GRADALL	WILHAM-DAVIES	660	1	NP015051	B & M	3/20/81	1	84	2,676.30	128,561
SHOUL BLOWER	PETTIBONE	220C	1	ST 250	B & M	3/20/81	1	84	539.49	67,24
GO TRACT W/DERAIL	UNIVERSAL TRACT	GT 1000	1	01-04-149	B & M	3/20/81	1	84	1,381.69	67,31

DESCRIPTION	MANUFACTURER	MODEL	QUANTITY	SERIAL #	LEASEE	MASTERS LEASE DATE	SCHEDULE #	LEASE TERM	MONTHLY RENT PER UNIT	NBV 12-31-81
TOW CRANE	GALION	150 ARS	1	CISCADG 8852	CRC	4/21/81 ***	1	120	1,254.24	51,524
1/2 TON CRANE GENERATOR & PUMP	PETTIBONE	25	1	18-6-AI-7477	CRC	4/21/81 ***	2	120	1,344.10	89,515
1/2 TON CRANE	PETTIBONE	25	1	18-5-AI 7476	CRC	4/21/81 ***	3	120	1,100.73	72,723
1/2 TON CRANE	PETTIBONE	25	1	18-5-AI 7475	CRC	4/21/81 ***	4	120	1,100.84	72,715
SWITCH TAMPER	CANRON	MARK II	1	1088051	CRC	6/29/81	1	84	2,857.97	115,309
SWITCH TAMPER	CANRON	MARK II	1	1088061	CRC	6/29/81	2	84	2,849.35	
SWITCH TAMPER	CANRON	MARK II	1	1088091	CRC	6/29/81	3	84	2,849.35	
SWITCH TAMPER	CANRON	MARK II	1	1088101	CRC	6/29/81	4	84	2,849.35	460,041
SWITCH TAMPER	CANRON	MARK II	1	108121	CRC	6/29/81	5	84	2,849.35	
SWITCH TAMPER	CANRON	MARK II	1	108131	CRC	6/29/81	6	84	2,851.64	
SWITCH TAMPER	CANRON	MARK II	1	108141	CRC	6/29/81	7	84	2,851.66	232,111
SWITCH TAMPER	PLASSER	UYM-8-L MARK II	1	1445	CRC	6/29/81	8	84	2,660.00	111,548
SWITCH TAMPER	PLASSER	UYM-8-L	1	1446	CRC	6/29/81	9	84	2,660.00	112,164
SWITCH TAMPER	PLASSER	UYM-8-L	1	1447	CRC	6/29/81	10	84	2,660.00	112,305

3,949,288

EQUIPMENT LEASE AGREEMENT #4

DESCRIPTION	MANUFACTURER	MODEL	QUANTITY	SERIAL #	LESSEE	MASTER LEASE DATE	SCHEDULE #	LETSF. TERM	MONTHLY RENT PER UNIT	
CONTINUOUS RAIL WELDER	* SEE ATTACHED P.5		1							<div>1.4</div> <div>NOV 2</div> <div>12-31-83</div> <hr/> <div>1,040,320</div> <hr/> <div>95,000</div> <hr/> <div>185,00</div> <hr/> <div>280,00</div> <hr/>
AIR BALLAST REGULATOR	R.T.W.	116A	1	101						
RAIL CRANE	R.T.W.	111A	1	101						

TRAILER #	TRAILER FUNCTION	TRAILER			EQUIPMENT SERIAL #
		MAKE	SERIAL #	FL. LIC. #	
2	AUXILIARY POWER UNIT	ROGERS	D 5064	L 24050	EM 166973331 D3436234739
3	TRANSFER TABLE	ROGERS	D 5068	L 24046	
4	RAIL END POLISHING	TRAILMOBILE	C 12834	L 21866	
5	RAIL WELDER	ROGERS	D 5065	L 24051	
6	RAIL SHEAR & STRAIGHTENER	ROGERS	D 5066	-	
7	RAIL MOVER & GRINDING	ROGERS	D 5067	L 24048	
8	OFFICE & PARTS STORAGE	FRUEHAUF	HPN34801	L 24047	
-	RAIL SAW	-	-	-	103